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Relations between Mexico, U.S. grow tense, abrasive

MEXICO IN TURMOIL

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MEXICO CITY — For a long time, the United States considered Mexico an island of stability in an unstable Latin America.

Not anymore.

Relations between the two countries have deteriorated seriously as conditions in Mexico have become more turbulent.

Emigration pressures, drug traffic, police corruption, election fraud, economic chaos and other mounting ills are seen as weakening Mexico and are considered potential threats to U.S. security.

America's stake in a prosperous and stable Mexico is immense. Some scholars say Mexico is second only to the Soviet Union in importance to the future of the United States.

By all accounts, the United States has a greater economic, political and cultural interest in Mexico and its 80 million people than in the approximately 25 million people in the nations of Central America, although the Central Americans and U.S. policy toward them often receive more attention.

One of the most important, perhaps little-noted assumptions of U.S. foreign policy is that the United States can focus on relations with other regions of the world because it doesn't have to worry too much about getting along with Canada and Mexico, its big, usually friendly neighbors back home.

Developments that seriously erode those relationships can divert attention and resources from other major issues and other parts of the world. U.S. officials privately express concern that that may happen with Mexico.

Mexican officials claim the U.S. government is contributing to their economic and political turmoil at the very time their country needs help and understanding the most.

U.S. officials deny those charges and say Mexico's worsening problems are of its own making.

Regardless of blame, there is no doubt relations between the two nations are more tense and abrasive than they have been for years.

"The United States and Mexico really are friends, but right now they are doing their best to hide it," said one Western diplomat with long service in both countries.

The United States is Mexico's biggest trading partner. About 70 percent of Mexican exports go to America. Mexico is the United States' third-biggest partner, after Canada and Japan. For example, Mexico is the United States' biggest supplier of foreign oil and under a new agreement is providing 85 percent of the crude for the U.S. Strategic Petroleum Reserve.

About 25 percent of Mexico's foreign debt of just over $100 billion is owed to U.S. commercial banks. That plus U.S. influence in international financial institutions such as the International Monetary Fund and the World Bank give the United States a substantial if not definitive voice on new loans by those agencies to Mexico and the restructuring of old ones.

Most of the approximately $60 billion of Mexican capital that has fled the country during the financial crises of the 1980s is believed to be in U.S. banks or otherwise invested north of the border.

About 400,000 U.S. citizens live in Mexico, and close to 3,000 U.S. corporations do business in Mexico.

Tens of thousands of Mexican students attend U.S. universities, and thousands of U.S. students travel south of the border to study.

Mexico continues to be a favorite spot for U.S. tourists, although the number seems to be leveling off. The visitors usually spend more than $1.5 billion a year.

An estimated 2 million to 5 million Mexicans are in the United States at any one time, most of them illegally, and they send home more than $1 billion a year.

After initial improvement with the help of U.S. aid, Mexico has reverted to being the biggest foreign supplier of marijuana and heroin to U.S. markets. It produces about a third of U.S. imports of each drug, according to U.S. officials. They also estimate that about 30 percent of the cocaine imported into the United States enters via Mexico.

Although not all those factors are desirable for one country or the other, they add up to a long list of close connections.

In regional terms, as one senior U.S. official said, "Even if the worst happens in Central America, our interests are much greater in Mexico."

The two countries are still trying to work their way up from the low point their relationship reached last year.

Usually the United States does not make a point of going loudly public with complaints it may have about the Mexican government. But, starting last spring, the complaints have been very public indeed, leaving the Mexicans shocked and feeling abused.

Several Reagan administration officials used a congressional hearing held by Sen. Jesse Helms, North Carolina Republican, to denounce Mexico for allegedly abysmal handling of illegal emigration to the United States, drug-running and government corruption.

Much official attention also was given publicly to a monograph, published by the Hoover Institution at Stanford University and written by a veteran CIA analyst on leave, that said Mexico was facing "new crises" that could cause violent ruptures with "enormous and perhaps incalculable consequences for the United States." The statements were said to reflect the CIA's confidential views of the Mexican situation.

U.S. Secretary of State George Shultz later all but ignored Mexican Foreign Minister Bernardo Sepulveda at a meeting of the Organization of American States in what was widely regarded as a purposeful snub.

And, perhaps most significantly, Congress passed and President Reagan signed new legislation designed to cap Mexican immigration and provide new resources to combat drugs from Mexico.

The Mexicans were infuriated. They saw these developments as an unnecessary, offensive escalation of

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the verbal slaps they had long suffered from outspoken U.S. Ambassador John Gavin, from his posting to Mexico in 1981 until his retirement last year.

Mexican diplomats and other officials privately express deep bitterness about what they see as just another chapter in mistreatment and intervention by the United States that dates back to what they regard as the 19th-century U.S. "theft" of huge chunks of Mexican territory, constituting almost a third of the continental United States.

The Mexicans complain repeatedly that while Mexico is making a substantial, expensive effort to control drugs at the source — costing the lives of more than 400 policemen, soldiers and other security agents — it receives little credit in the United States. They resent that the murder of two U.S. agents in Mexico attracted much more attention than Mexico's losses — and that the Reagan administration has slashed its own drug-fighting budget request for this year.

They complain about being blindsided by the United States in trade matters. At a time when their government, albeit reluctantly, is moving toward a free-market, export-oriented economy, they see their biggest trading partner becoming more protectionist.

They note that, in response to appeals and pressure from the United States, Mexico last year decided to join the international General Agreement on Tariffs and Trade, designed to lower global import-export barriers, only to be faced with new fees charged on sales of crude oil to the United States.

The Mexicans also complain that the United States consistently undercuts their efforts to negotiate peace in Central America.

Mexico was one of the originators of the Contadora process, along with Panama, Venezuela and Colombia. The Contadora nations have been trying to settle disputes involving Nicaragua, El Salvador, Guatemala, Honduras and Costa Rica. But, Mexico complains, every time progress is made, the United States pressures its allies to back off.

In sum, said one Latin diplomat close to the scene, whether the feeling is warranted or not, the Mexicans "resent getting recipes from the United States about opening up their economy so American investors can take advantage, about opening up their political system so the [governing] PRI can lose control, about how to conduct their foreign policy to benefit the United States, about how to fight corruption and drugs when the United States has plenty of its own."

There have been some signs recently that relations are being smoothed over on the surface.

Both sides worked hard at the annual meeting between President Reagan and Mexican President Miguel de la Madrid in August to avoid new public displays of irritation and to stress cooperation instead.

New U.S. Ambassador to Mexico Charles Pilliod, retired chairman of Goodyear Tire and Rubber Co., presented his credentials in November and has proved much less confrontational than Mr. Gavin.

Beneath the mutual complaints, there seems to be a mutual and pragmatic realization that Mexico and the United States can't walk away from each other.

But to the commonly expressed U.S. view that the United States and Mexico have too many common interests and share the same bed, the Mexicans reply, "that is so, but it will be a while before we sleep together."

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